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FM AMEMBASSY MANAGUA
TO RUEHC/SECSTATE WASHDC 0100
INFO WHA CENTRAL AMERICAN COLLECTIVE
RHEFDIA/DIA WASHINGTON DC
RHMFIS/USSTOCOM INTEL MACDILL AFB FL
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC

UNCLAS MANAGUA 001130

SENSITIVE
SIPDIS
STATE FOR WHA/CEN, EB/IFD/OIA, AND L/CID
STATE ALSO FOR WHA/EPSC
STATE PASS TO USTR
TREASURY FOR INL AND OWH

E.O. 12958: N/A
TAGS: EINV ECON KIDE NU
SUBJECT: NICARAGUAN ARMY THREATENS TO EXPROPRIATE U.S. CITIZEN PROPERTY

REF: MANAGUA 1052; 02 MANAGUA 877

SUMMARY

¶1. (SBU) The Nicaraguan Army has threatened to expropriate property owned by U.S. citizen Gloria Molina to extend a military airstrip. Mrs. Molina and her family have attempted to meet with the Nicaraguan Army and the Attorney General's Office to resolve this dispute, but neither government agency has taken any action to protect her property. If the Army takes over Mrs. Molina's property, this would be the first time since the 1980's that the Nicaraguan military has directly expropriated land owned by a U.S. citizen.

GENESIS OF DISPUTE

¶2. (SBU) In February 1955, the husband of U.S. citizen Gloria Molina purchased 2,710 acres of property in a farming area called Punta Huete located in San Francisco Libre municipality (Department of Managua), central Nicaragua. In 1983, the Government of Nicaragua (GON) declared eminent domain over 1,454 acres of their property for a forestry and wildlife preservation project. This project never materialized, however, as 468 acres of the property were transferred to a local agricultural cooperative and another 300 acres were granted to a Nicaraguan-Libyan agricultural project called ANILIB. The remainder of the property, 686 acres, was ceded to the Sandinista People's Army (EPS), which later became the Nicaraguan Army. The EPS built an airstrip on 234 acres of the land and had planned to give the rest to retired officers.

¶3. (SBU) In 1991, the National Confiscations Review Commission ruled that the Army had to return the property to Mrs. Molina. In 1993, the GON offered Mrs. Molina 1,740 acres of farmland in a land swap that would allow the Army to maintain possession of her property. That deal fell through, but in 1996 Mrs. Molina signed a settlement with the Nicaraguan Army and the Ministry of Finance to recover 1,184 acres of her property. The Army still controls 36 acres and the GON has not made any effort to either return the property nor provide compensation to Mrs. Molina.

ARMY PLANS TO EXPROPRIATE MORE LAND

¶4. (SBU) Since 2007, Mrs. Molina and her family have been negotiating a settlement with the GON for the remaining 36 acres of her property and for the land the Army used to build an airstrip. Her family complains that without access to the 36 acre property,

her cattle cannot graze freely on the land she has recovered already. In May 2008, the Attorney General's Office proposed a land swap that would make her property contiguous, but the deal has not been finalized. In October 2009, the Molina family reported that lower-ranking officers told them that the Army plans to expropriate more of her land to expand the airstrip. This expropriation would further fragment her property.

CLAIMANT SEEKS AMICABLE RESOLUTION

15. (SBU) On October 24, Ramon Gonzalez, the son of Mrs. Molina, asked for Embassy assistance to press Attorney General Hernan Estrada to protect his family's property rights. Mr. Gonzalez noted that he has attempted to meet with Army officers on several occasions but he has been unable to obtain a meeting. On October 29, the Ambassador wrote Attorney General Estrada to urge him to review Mrs. Molina's case. On November 3, Econoff contacted Rebeca Zuniga, Coordinator of the Office of U.S. Citizen Claims, to request a meeting for Mr. Gonzalez to discuss ways to settle the case.

COMMENT

16. (SBU) The Army's threat to expropriate Mrs. Molina's property without the GON offering prompt, adequate compensation is a serious concern. If the Army takes possession of her land, this would be the first time that the Nicaraguan military has directly expropriated U.S. citizen property since the 1980's. In the past, the GON has transferred expropriated property to the Army through agrarian reform titles and to officers for private use by applying Laws 85/1990 and 88/1990, also known as the Pinata Laws (Ref A). In other instances, the Army simply seized private property, as in the case of U.S. citizen Juan Barreto (Ref B). We will press Attorney General Estrada to defend Mrs. Molina's property rights and remind him that any expropriation of U.S. citizen property without due process hurts Nicaragua's chances of receiving a Section 527 waiver.

SANDERS